

A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY ADOPTING AND APPROPRIATING THE OPERATING BUDGET FOR THE CITY CENTER REDEVELOPMENT AREA, THE ANCHOR SHOPS AND PARKING GARAGE, AND THE PENNSYLVANIA AVENUE SHOPS AND PARKING GARAGE FOR FISCAL YEAR 2014/15.

WHEREAS, the proposed City Center Redevelopment Area Budget has been prepared to coincide with the overall City budget process; and

WHEREAS, the proposed City Center Redevelopment Area Budget reflects anticipated construction project costs in addition to operating and debt service costs for Fiscal Year 2014/2015; and

WHEREAS, the proposed budgets for the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage have been included as separate schedules to the City Center Redevelopment Area Budget, reflecting projected revenues and operating expenses for the fiscal year; and

WHEREAS, the Executive Director of the Miami Beach Redevelopment Agency recommends approval of the proposed Fiscal Year 2014/15 budgets for the City Center Redevelopment Area, as well as for the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage; and

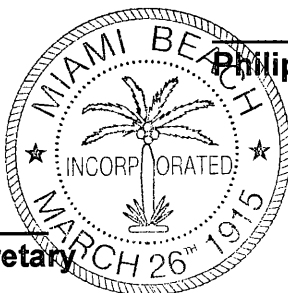
NOW, THEREFORE, BE IT DULY RESOLVED BY THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, that the Chairperson and Members hereby adopt and appropriate the operating budget for the City Center Redevelopment Area, the Anchor Shops and Parking Garage, and the Pennsylvania Avenue Shops and Garage for Fiscal Year 2014/15, as follows:

City Center Redevelopment Area	\$38,519,000
Anchor Garage Parking Operations	\$5,491,000
Anchor Garage Retail Operations	\$904,000
Pennsylvania Avenue Garage Parking Operations	\$1,041,000
Pennsylvania Avenue Garage Retail Operations	\$640,000

PASSED AND ADOPTED this 30 day of September, 2014.


ATTEST:


Rafael E. Granado, Secretary




Philip Levine, Chairperson

**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**


 City Attorney

9/24/14
 Date

KB:MAS

Condensed Title:

A Resolution of the Chairperson and Members of the Miami Beach Redevelopment Agency adopting and appropriating the operating budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage for Fiscal Year 2014/15.

Key Intended Outcome Supported:

Enhance Beauty and Vibrancy of Urban And Residential Neighborhoods; Focusing on Cleanliness, Historic Assets, In Select Neighborhoods And Redevelopment Areas.

Supporting Data (Surveys, Environmental Scan, etc.):

One out of ten residents (10%) feels the best way to improve the overall quality of life in Miami Beach is to increase City beautification and cleanliness.

Item Summary/Recommendation:

The proposed budget for the City Center Redevelopment Area for Fiscal Year 2014/15 has been prepared to coincide with the overall City budget process, and is being presented to assist in providing a comprehensive overview of the district. Additionally, the revenues and expenses associated with the operations of the Anchor Shops and Parking Garage as well as the Pennsylvania Avenue Shops and Garage are presented as separate schedules so as to eliminate any perception that proceeds from the Facility's operations are pooled with TIF and other Trust Fund revenues.


Based on the 2014 Certification of Taxable Value from the Property Appraiser's Office, the preliminary value of property in City Center is \$4,186,683,074, an increase of 8.1% over 2013. However, as in previous years, the City has received correspondence from the County, advising of the finalization of the tax roll for the prior year, which in the case of FY 2012/13, reflects a decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling \$2,447,000 for 2014/15, versus \$168,000 for 2013/14 and \$3.5 million for 2012/13. Additional sources of revenue include a ½ mill levy in the amount of \$1.8 million, to be set aside for the Children's Trust pursuant to an Interlocal Agreement, dated August 16, 2004 between the RDA, the City of Miami Beach and Miami-Dade County; and an estimated \$25,000 in interest income. The total proposed FY 2014/15 City Center Redevelopment Area Budget is \$38,519,000.

In order to address the existing and future obligations of the Redevelopment Area, it is recommended that the Redevelopment Agency adopt the attached Resolution which establishes the operating budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage and the Pennsylvania Avenue Shops and Garage for FY 2014/15.

Advisory Board Recommendation:

N.A.

Financial Information:




Source of Funds:		Amount	Account
	1	\$38,519,000	City Center Redevelopment Area Fund
	2	\$ 6,395,000	Anchor Shops and Parking Garage Operations
	3	\$ 1,681,000	Pennsylvania Avenue Shops and Garage Operations
OBPI	Total	\$46,595,000	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Max Sklar, Georgette Daniels and John Woodruff

Sign-Offs:

RDA Coordinator	Budget Director	Assistant Director (RDA)	Executive Director (RDA)
MAS	JW 	KGB 	JLM 

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MIAMI BEACH

AGENDA ITEM 1A
DATE 9-30-14



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

REDEVELOPMENT AGENCY MEMORANDUM

TO: Chairperson and Members of the Miami Beach Redevelopment Agency

FROM: Jimmy L. Morales, Executive Director

DATE: September 30, 2014

SUBJECT: **A RESOLUTION OF THE CHAIRPERSON AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, ADOPTING AND APPROPRIATING THE OPERATING BUDGETS FOR THE CITY CENTER REDEVELOPMENT AREA THE ANCHOR SHOPS AND PARKING GARAGE AND THE PENNSYLVANIA AVENUE SHOPS AND GARAGE FOR FISCAL YEAR 2014/15.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

ANALYSIS

The proposed budget for the City Center Redevelopment Area (RDA) for Fiscal Year 2014/15 has been prepared to coincide with the overall City budget process, and is being presented today to assist in providing a comprehensive overview of the district. Please refer to Attachment A for the proposed budget details.

Revenues

Based on the 2014 Certification of Taxable Value from the Property Appraiser's Office, the preliminary value of property in City Center is \$4,186,683,074 an increase of 8.1% over 2013, marking the fourth year in a row values have increased; values seem to be back on the rise, following two years of decline. However, as in previous years, the City has received correspondence from the County, advising of the finalization of the tax roll for the prior year, which in the case of FY 2012/13, reflects a decrease from the preliminary valuation for the same year and will result in a corresponding adjustment/reduction in TIF revenues totaling \$2,447,000 for 2014/15, versus \$168,000 for 2013/14 and \$3.5 million for 2012/13.

Additional sources of revenue include a ½ mill levy in the amount of \$1.8 million, to be set aside for the Children's Trust pursuant to an Interlocal Agreement, dated August 16, 2004 between the RDA, the City of Miami Beach and Miami-Dade County; and an estimated \$25,000 in interest income.

Expenditures

Project-related expenses account for approximately \$10.3 million, which includes \$4.5 million to be allocated for community policing initiatives in the City Center to continue providing enhanced levels of staffing and services throughout the area, and \$5.7 million for maintenance of RDA capital

projects.

Administrative Expenses total \$1,403,000 comprising a management fee of \$972,000 which is allocated to the General Fund to pay for direct and indirect staff support for the RDA; \$406,000 for actual operating expenses; and \$25,000 for capital renewal and replacement projects under \$25,000. It should be noted that the Management Fee allocation is reflective of actual city resources applied to the operation of the RDA, as supported by the RSM McGladrey Cost Allocation Study, dated July 20, 2009. It should further be noted that Administrative and Operating expenses account for less than four percent (3.7%) of the total budget, which is well below the 20% threshold level established (and permitted) in the Interlocal Agreement between the City and the County.

The current combined debt service on the 2005 Series Bonds and the Parity Bonds accounts for approximately \$8.5 million annually. City Center also continues assuming debt service payments on the portion of the Gulf Breeze Loan used to pay for the Bass Museum expansion and renovation, and the portion of the Sunshine State Loan Program used for Lincoln Road improvements, which collectively account for approximately \$1.3 million.

Reserve line item expenditures include those items that, pursuant to the existing Bond Covenants, may only be expended once the annual debt service obligations have been met. These include the County's administrative fees, equivalent to 1.5% of its respective TIF payment; and the corresponding contribution to the City's General Fund, equivalent to 1.5% of the City's share of its TIF payment; and the remittance of the ½ mill tax levy back to the Children's Trust.

In addition, the proposed budget includes \$14,585,000 in funding towards the new debt service anticipated for the remaining projects in the City Center Capital Plan, as well as for \$274.3 million in debt for the Convention Center Expansion and Renovation Project, consistent with the terms being negotiated with Miami-Dade County. The remaining Capital Projects includes:

Bass Museum Interior Space Expansion	\$3,750,000
Convention Center Lincoln Rd Connectors & 17th St N. Improvement Penn Ave to Wash	\$12,000,000
Lincoln Rd / Washington Ave to Lenox Ave	\$20,000,000

The authorizing documents for the additional debt will be presented at a later date once the debt structure has been finalized and negotiations with Miami-Dade County concluded.

The revenues and expenses associated with operations of the City Center area Shops and Garages are presented as separate schedules in order to eliminate any perception that proceeds from the facilities' operations are pooled with TIF and other Trust Fund revenues:

Anchor Shops and Parking Garage

Garage revenues at the Anchor Garage are projected at approximately \$5.4 million, with operating expenses, (including depreciation, contractual revenue-sharing obligations with Loews and general fund administrative fees) of approximately \$3 million, and an allocation of \$2,069,000 for construction on the Collins Park Garage. The Anchor retail operations is expected to generate \$886,000 in revenues, including interest, with operating expenses and depreciation totaling \$141,000; renewal & replacement projects totaling \$650,000, as well as projected reserves of \$95,000. Additionally, \$338,000 in transfers to the Pennsylvania Avenue Garage/Retail is budgeted to offset the RDA's estimated costs associated with the retail and parking operations.

Pennsylvania Avenue Shops and Garage

In consideration of the fact that the Pennsylvania Avenue Shops and Garage was built by the RDA on City-owned property, the operation of the facility has been structured in the form of a ground lease between the City and the RDA, providing terms for both the Garage and Retail operations. The garage operations include base rent and an administrative fee, consistent with that of the Anchor Garage, Parking's operational fee, and revenue sharing between the City and the RDA. The Retail operations also include base rent and an administrative fee, as well as a retail lease rate based on 2010 retail market cap rates. The retail operations also include revenue sharing between the City and the RDA.

Based on estimates of the garage's current-year operating results, and taking into consideration the successful execution of a lease agreement with Penn 17, LLC., for the entire retail space, the facility is anticipated to generate \$1,343,000 in revenues in FY 2014/15, comprising \$703,000 in parking revenues and \$640,000 in retail income. However, since the facility is still anticipated to operate at a loss during FY 2014/15, the Anchor Garage/Retail plans to subsidize its operations through a transfer of \$338,000 to the parking operations. Expenses for the facility are budgeted at \$1.6 Million, comprising \$1,041,000 in direct operating costs for the garage and \$640,000 in lease term-related obligations.

CONCLUSION

The proposed FY 2014/15 City Center Redevelopment Area Budget is \$38,519,000. The Anchor Garage & Shops is \$6,395,000 and the Pennsylvania Avenue Garage & Shops is \$1,681,000.

In order to address the existing and future obligations in the Redevelopment Area, it is recommended that the Redevelopment Agency adopt the attached Resolution, which establishes the operating budgets for the City Center Redevelopment Area, the Anchor Shops and Parking Garage, and the Pennsylvania Avenue Shops and Garage for FY 2014/15.


JLM/KGB/MS

Attachment

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**Miami Beach Redevelopment Agency
City Center Redevelopment Area
Proposed FY 2014/15 Operating Budget**

	FY11/12	FY 2012/13	FY 2013/14	FY 2014/15	Budgeted Variance
	Actual	Actual	Adopted	Proposed	From FY 13/14
Revenues and Other Sources of Income					
Tax Increment - City	\$ 18,337,693	\$ 19,188,399	\$ 19,934,000	\$ 21,691,000	\$ 1,757,000
Proj Adjustment to City Increment	(1,756,457)	(1,870,542)	(94,000)	(1,381,000)	(1,287,000)
Tax Increment - County	14,291,236	14,817,619	15,992,000	17,400,000	1,408,000
Proj Adjustment to County Increment	(1,367,157)	(1,633,395)	(74,000)	(1,066,000)	(992,000)
50% Contribution from Resort Tax	4,925,168	5,546,756	5,386,000	-	(5,386,000)
1/2 Mill Children's Trust Contribution	1,481,004	1,570,405	1,831,000	1,850,000	19,000
Interest Income	8,278	27,925	25,000	25,000	-
Fund Balance Reallocation: (Non-TIF)	-	-	-	-	-
Fund Balance Renewal and Replacement	-	-	-	-	-
Other Income/Adjustments:	5,196	999,791	-	-	-
TOTAL REVENUES	\$ 35,924,961	\$ 38,646,958	\$ 43,000,000	\$ 38,519,000	\$ (4,481,000)
Admin/Operating Expenses					
Management fee (salaries & benefits)	\$ 952,889	\$ 976,000	\$ 1,043,000	\$ 972,000	\$ (71,000)
Salaries and Benefits	\$59,601	46,614	155,000	-	(155,000)
Advertising & promotion	-	-	50,000	50,000	-
Postage & mailing	-	-	3,000	1,000	(2,000)
Office supplies & equipment	2,269	1,563	4,000	2,000	(2,000)
Other Operating	-	753	1,000	1,000	-
Meetings & conferences	-	-	1,000	1,000	-
Dues & subscriptions	795	200	2,000	2,000	-
Licences & Taxes	-	128,729	-	60,000	60,000
Audit fees	20,260	20,500	21,000	23,000	2,000
Professional & related fees	175,373	529,447	629,000	213,000	(416,000)
Repairs and Maintenance	31,489	32,487	25,000	25,000	-
Internal Services	33,938	108,143	27,000	53,000	26,000
Total Admin/Operating Expenses	\$ 1,276,614	\$ 1,844,435	\$ 1,961,000	\$ 1,403,000	\$ (558,000)
Project Expenses					
Community Policing 168-1124	\$ 3,411,726	\$ 3,702,342	\$ 4,195,000	\$ 4,522,000	\$ 327,000
Capital Projects Maintenance:					
Code: 168-9963	-	-	-	174,000	174,000
Property Mgmt: 168-9964	1,013,473	1,061,027	1,176,000	1,392,000	216,000
Sanitation: 168-9965	2,560,468	2,536,108	3,020,000	3,061,000	41,000
Greenspace/Parks Maintenance: 168-996X	506,242	556,555	832,000	1,170,000	338,000
NWS Project/Lincoln Park Complex Contingency	-	-	-	-	-
NWS Project - Grant-in-Aid	-	-	-	-	-
Transfer to Penn Garage Parking	48,801	225,055	305,000	-	(305,000)
Transfer to Penn Garage Retail	347,112	-	-	-	-
Transfer to Renewal and Replacement	-	705,000	67,000	-	(67,000)
Transfer to Capital Projects	13,541,301	14,238,000	18,443,000	-	(18,443,000)
Total Project Expenses	\$ 21,429,123	\$ 23,024,087	\$ 28,038,000	\$ 10,319,000	\$ (17,719,000)
Reserves, Debt Service and Other Obligations					
Debt Service Cost - 2005 + Parity Bonds	\$ 8,548,105	\$ 8,524,081	\$ 8,550,000	\$ 8,432,000	\$ (118,000)
City Debt Service - Lincoln Rd Project	1,103,366	785,000	825,000	832,000	7,000
City Debt Service - Bass Museum	502,746	503,000	547,000	548,000	1,000
Reserve for County Admin Fee	193,861	197,718	239,000	245,000	6,000
Reserve for CMB Contribution	248,719	260,774	283,000	305,000	22,000
Reserve for Children's Trust Contribution	1,481,004	1,570,405	1,831,000	1,850,000	19,000
Reserve -Prior Year Fund Balance/Future Capital Projects	1,451,823	-	-	-	-
Repayment-Prior Yr Fund Balance	-	-	342,000	-	(342,000)
Reserve Capital Projects /Debt Service/ Contingency	-	-	384,000	14,585,000	14,201,000
Total Reserves, Debt Service and Other Obligations	\$ 13,529,624	\$ 11,840,978	\$ 13,001,000	\$ 26,797,000	\$ 13,796,000
TOTAL EXPENSES AND OBLIGATIONS	\$ 36,235,361	\$ 36,709,500	\$ 43,000,000	\$ 38,519,000	\$ (4,481,000)
REVENUES - EXPENSES	\$ (310,400)	\$ 1,937,458	\$ -	\$ -	\$ -

Proposed FY 2014/15 Anchor Shops and Parking Garage Operating Budget

	FY11/12	FY 2012/13	FY 2013/14	FY 2014/15	Variance
	Actual	Actual	Adopted	Proposed	From FY 13/14
Revenues:					
Parking Operations	\$ 3,079,821	\$ 3,365,518	\$ 3,130,000	\$ 3,518,000	\$ 388,000
Parking Fund Balance		-	-	1,973,000	1,973,000
Retail Leasing	615,016	766,105	847,000	876,000	29,000
Interest Pooled Cash	13,897	33,480	18,000	28,000	10,000
TOTAL REVENUES	\$ 3,708,734	\$ 4,165,103	\$ 3,995,000	\$ 6,395,000	\$ 2,400,000
Operating Expenses:					
Parking Operations	\$ 1,264,875	\$ 2,062,965	\$ 1,627,000	\$ 1,689,000	\$ 62,000
Garage Use Fee (To Loews)	440,241	570,038	507,000	591,000	84,000
Garage Repairs and Maintenance	-	106,281	37,000	128,000	91,000
Garage Depreciation	-	-	451,000	470,000	19,000
Retail Leasing Property Management Fee & Operating	62,619	52,109	-	32,000	32,000
Retail Leasing Repair & Maintenance			32,000	25,000	(7,000)
Retail Internal Service Charges	66,109	35,232	19,000	19,000	-
Retail Operations Depreciation	55,396	55,396	55,000	55,000	-
Parking Operations Admin Fee to GF	196,740	223,000	224,000	224,000	-
Retail Leasing Admin Fee to GF	-	14,000	10,000	10,000	-
Transfer to Renewal and Replacement		-	220,000	650,000	430,000
Transfer to Capital Projects/RDA Garages			-	2,407,000	2,407,000
Reserve for Future Capital - Parking Operations	223,962	-	72,000	-	(72,000)
Reserve for Future Capital - Retail Operations	-	-	741,000	95,000	(646,000)
TOTAL EXPENSES	\$ 2,309,942	\$ 3,133,021	\$ 3,995,000	\$ 6,395,000	\$ 2,400,000
REVENUES - EXPENSES	\$ 1,398,792	\$ 1,032,082	\$ -	\$ -	\$ -

Proposed FY 2014/15 Pennsylvania Ave Shops and Garage Operating Budget

	FY11/12	FY 2012/13	FY 2013/14	FY 2014/15	Variance
	Actual	Actual	Adopted	Proposed	From FY 13/14
Revenues:					
Parking Operations	\$ 618,961	\$ 702,181	\$ 656,000	\$ 703,000	\$ 47,000
Retail Leasing	147,123	371,640	550,000	640,000	90,000
Retail Transfer from RDA Operations	347,112	-	-	-	-
Parking Transfer from RDA Operations	346,000	225,055	305,000	338,000	33,000
Interest Pooled Cash	492	1,206	-	-	-
TOTAL REVENUES	\$ 1,459,688	\$ 1,300,082	\$ 1,511,000	\$ 1,681,000	\$ 170,000
Operating Expenses:					
Parking Operations Expenditures	\$ 723,029	\$ 729,260	\$ 822,000	\$ 896,000	\$ 74,000
Parking Admin/Base Fee	45,368	45,368	56,000	57,000	1,000
Garage Ground Lease	23,552	22,731	23,000	23,000	-
Parking Base Rent	23,552	22,731	23,000	23,000	-
Add'l/Percentage Rent	-	-	-	-	-
Garage Management Fee	47,604	53,302	60,000	65,000	5,000
Retail Additional Base Rent	15,592	2,970	136,000	229,000	93,000
Retail base Rent	276,448	277,269	229,000	205,000	(24,000)
Retail Admin Fee	11,137		-	-	-
Depreciation	11,851	11,851	-	-	-
Leasing Commissions & Operating	303,400	-	-	-	-
Admin Fee (GF)	3,864	52,418	51,000	59,000	8,000
Retail Contingency	-	-	134,000	147,000	13,000
TOTAL EXPENSES	\$ 1,461,845	\$ 1,183,318	\$ 1,511,000	\$ 1,681,000	\$ 170,000
REVENUES - EXPENSES	\$ (2,157)	\$ 116,764	\$ -	\$ -	\$ -